HOUSING CO-OPS –

AFTER TEN YEARS

50p

The Housing Rents and Subsidies Act, 1975 gave powers to a local authority to enter into an agreement with any group of its tenants who choose to form themselves into a registered co-operative association to act under paid contract as managing agents for the estate in which they live. These groups are known as tenant management co-operatives.

By the same Act the Housing Association Grant was made available, for the first time, to fully mutual housing co-ops. These are housing associations where all the members are resident or prospective residents of the properties owned collectively by the association; and all residents are members.

The then Minister of Housing responsible for the Act was Reg Freeson.

HAROLD CAMPBELL was Assistant Secretary of the Co-operative Party from 1946-59 when he succeeded Jack Bailey as Secretary. In 1967 he was appointed a member of the Board of the Housing Corporation and later became its Deputy Chairman. From 1968 - 1980 he was Deputy Chairman of the Stevenage Development Corporation. He has been a Trustee of the Sutton Housing Trust since 1967 and was its Chairman for seven years. Formerly General Manager of the Newlon Housing Trust from 1970 - 1977 he is now a member of its Board of Management. He was Executive Director of the Greater London Secondary Housing Association from 1978 until his retirement in September 1983. He is at present Chairman of Sutton (Hastoe) Housing Association and a member of the Committee of several other housing associations. He is a member of the Public Relations and Editorial Board of the National Federation of Housing Associations.

Harold Campbell was Chairman of the DoE Working Party on Housing Co-operatives set up by Reg Freeson when Minister of Housing, and subsequently chaired the Working Party at the Ministry on New Forms of Tenure.

CO-OPERATIVE HOUSING - TEN YEARS AFTER REG FREESON

In the seventeen years since I ceased to be a full-time Co-operative Party official, I have devoted a great deal of my energy to advocating and promoting what in Britain are sometimes, falsely, called new forms of co-operative enterprise, while never letting up on my enthusiasm for and active participation in consumer co-operatives. The last five years of my professional career, before I retired last year, was spent in the promotion of housing co-operatives.

I cannot claim that we have achieved so very much. Since 1975 when, through the determination of Reg Freeson, then Minister of Housing in the second Wilson administration, we got housing co-ops for the first time recognised in Parliamentary legislation, a few hundred have been registered with the Housing Corporation as housing associations either active or potentially so. Some have faded in face of their formidable obstacles. One or two have crashed. More have proved successful within the limits set them by factors outside their control. But no-one can claim that the idea has yet set the Thames or the Clyde, or even the Mersey on fire. The Labour Party is not wild with enthusiasm for it. With honourable exceptions, Labour Councillors who sit on local housing committees are sceptical (at best) and downright hostile (at worst) to any suggestion that Council tenants should, for example, be offered the opportunity to act, collectively, as managing agents of their own estate on a co-operative basis. I know, because I have tried persuading them. I have sometimes felt, as I trailed my coat, that the more passionately people protest their Socialist convictions the more they fear to practise them - at the grass-roots particularly. It is not only the dyed-in-the-wool Labour member of a local authority who stands in the way. His rooted conservatism about what forms social ownership should take is usually bolstered, in this case, by the attitude of the professionals appointed to act as officers or consultants. Not always, of course. Again there are very honourable exceptions. It was, after all, a past President of

the RIBA (Eric Lyons) who, in a remarkable outburst cried:

> "Council tenants are abused. I cannot help thinking that in many ways the Council tenant is a victim. He's in his flat almost as an act of charity. Usually he's not allowed to play any part in managing his estate; he has no responsibility except ringing up to complain"

And isn't it this attitude that has given the edge to the Tories' advocacy of the right to buy - made so much more attractive by outrageous discounts of up to 50% (and now 60%) of valuation?

Of course, it is not only the Council tenant whose interests have been ignored. In April 1975 the British Property Federation published the result of an "Independent Study of Landlord and Tenant Relations in England 1974-75". Writing exclusively about the private sector its author stated:

> "The best way of tackling the substantial problems of management of blocks of flats seems to be to foster genuine participation by residents.....too many landlords and agents failed to realise that the heightened 'consumer awareness' in society would lead many tenants to challenge their remote and insensitive attitude to tenant interests. The rapid growth of resident associations particularly since 1970 reflects the developing concern of people about their lack of status in affairs of their blocks of flats and recognition of the weakness of the individual.

He went on to make this recommendation to the property owners!

> "The problems today of management of older blocks of flats in particular are so substantial that they cannot be dealt with effectively in an atmosphere of continuing conflict

> between landlords, managing agents and residents. There are bound to be difficulties in relations in the shifting community of the residents of a block of flats but there is little doubt that the best way of tackling these is to foster participation in management by the residents"

Indeed, my colleagues and I in the Greater London Secondary Housing Association (now taken over by CDS Co-operative Housing Ltd) were able triumphantly to demonstrate - against much scepticism - that a fourteen storey block of 76 flats in Poplar could be co-operatively owned and controlled successfully by its residents on a community leasehold basis.

THE TENANT HAS A POINT OF VIEW

Perhaps we could begin to change deep seated attitudes by dropping the word "tenant", which means "one who holds under another", in favour of "user" which implies the "continual enjoyment of a right". Or, as John Turner put it in "Housing as a Verb" the ideal we should strive for is a model which conceives housing as an activity in which the users as a matter of economic, social and psychological sense - are the principal actors."

Principal actors? Yes, I like that. For most residential developments - new build or rehabilitation of old property - are devised, scrutinised, approved, executed by professionals with the tenant in mind (one hopes) but not at their elbow. In the least objectionable cases it is what the architect, the planner (sometimes, yet - extraordinarily enough - not always, the housing manager), the builder even, severally or collectively conceive to be in the interest of the tenant, that eventually materialises as a Council house or flat, or a housing association dwelling in a pleasing or hostile environment. In too many cases, I fear, the tenant hardly enters their calculations at all. Other considerations override or upstage him/her. The housing and planning or development committees, "advised" by their officers, accord their imprimatur. The finance committee

(the Treasurer) labouring under the constraints and strictures of a government bent on imposing the heaviest cuts in social expenditure on housing, usually has the last say. In the case of housing associations it is the Housing Corporation, who in most cases provides the finance, that scrutinizes a scheme down to the last detail before giving loan approval.

And do they always know best, the elected, the appointed (the self-appointed in some cases) even the professionally-trained? Is it arrogance, or indifference, ignorance or insensitivity, that makes them think so? Or contempt? Why shouldn't the user know as well if not better what he/she needs? "Ought we not to be ready and able to help him to achieve what he wants and to explain the limitations within which we have to reach desirable ends and which, alas, prevent us from ever matching results to the ideal?" is a question I once put to people engaged in the building professions and the construction industry: and received no answer.

If the user is to understand what cramps, crimps and confines their elected representatives and their officers (or their housing association landlords) in their objective to provide decent houses within the means of most people on housing application lists, we have to reach out to him and make our expertise comprehensible to him. He has the right to demand it of us.

This means that all of us, councillors, housing association board members officers, consultants alike must learn to express ourselves intelligibly - to communicate effectively - to say a simple thing in a simple way, and not enmesh ourselves and others in our special jargon, so that it sounds, to the uninitiated, unintelligible, even when it is not. We are all guilty to a degree of seeking to preserve our own peculiar mystiques. Too often we talk or write in what to the intelligent layman seems gobbledygook. We should learn from Dr Colin Blakemore who, in his Reith Lecture on the radio said:

> "I think that a scientist should be able to communicate his ideas to anyone. And I think, if he can't, then in a sense his ideas aren't important."

Only connect! Angus Nicolson, the poet, states it differently, but no less effectively:

> "You majored in socio-linguistics. Now you are learning my language we must begin with the simple words".

The user has the right to require of us that we learn his language. Unless we do there can be no meaningful participation for him in the decision making process.

WHO KNOWS BEST?

In May, 1984 in a remarkable address given at the 150th anniversary gala of the Royal Institute of British Architects, the Prince of Wales had some outspoken comments to make about the winning plan in a competition to design the proposed extension to the National Gallery in Trafalgar Square. That passage in his address was given great prominence by the media. What went unnoticed in the national press was this equally forthright, and to my mind much more interesting, comment:

> "Now we are seeing a gradual expansion of Housing Co-operatives" Prince Charles said, "particularly in the inner city areas of Liverpool, where the tenants are able to work with an architect of their own, and try to design what kind of environment they want, rather than the kind which tends to be imposed upon them. This sort of development offers something very promising in terms of inner city renewal and urban housing, not to mention community garden design. Enabling the client community to be involved in the detailed process of design is I am sure the kind of development we should be examining more closely. What I believe is

> important about community architecture is that it has shown people that their views are worth having - that architects and planners do not have the monopoly of knowing best...."

The beginning, and indeed the essence, of any co-operative is real and meaningful participation. Without knowledge, without assimilable information, power is unnaccessible; that power to decide intelligently, to make policy, to determine events. If the user - the "tenant", the "resident", if you prefer - is to share in that power he must be given access to all relevant and necessary information in a form, a language, which he can comprehend - in his language.

Brian Welham, the BBC's Television Director of Programmes has put the point succinctly, in a much wider context:

> "In the long run - and whatever the difficulties - the free and untrammelled flow of information is what a proper democracy requires and should insist on."

Whatever the difficulties!

On many municipal housing estates, particularly in inner city areas housing management has either broken down already, or is on the brink of disaster. This is why - put at its lowest level - the co-operation of the users, the tenants, is urgently desirable (as Anne Power and Sally Phillips among others have been showing in their work for the DOE's Priority Estates Project). Precedent and convention must not stand in the way; ignorance and scepticism or sheer bigotry must not frustrate its introduction. "There are times," wrote R.H. Tawney in The Acquisitive Society, "which are not ordinary, and in such times it is not enough to follow the road. It is necessary to know where it leads, and, if it leads nowhere, to follow another". In housing the time has come to follow another.

And I am not just talking of management, where tenants are proving

they can successfully manage their own estates. Users can be owners, too. If workers in a co-operative can be their own bosses, so can tenants be their own landlords.

A MODEST START

Well, we have made a modest start in Britain. Of the 2,632 registered housing associations, the Housing Corporation in its 1983-84 Report lists 203 co-operatives, or 7.7% of the total. In that year 23, or a quarter of all new Housing Associations registered were Co-ops, and loan approvals were accorded to 89 Co-operative projects (There are other housing Co-ops which do not require to register and are not all included in the total. These are tenant management co-ops., which I shall refer to again later).

The accompanying table (on page 8) shows what sums the Corporation allocated to Co-operative housing schemes in each of their regions in England at the beginning of the years 1983-84 and 1984-85; and what amounts were actually committed for new approvals by the end of 1983-84. (For various reasons not all the money allocated can be taken up in the relevant year).

These refer to loans to Co-ops that operate under "fair-rent" arrangments; that is, where the rent is determined by a rent officer, subject to a rent assessment tribunal on appeal. Since the rents are in no way based on the costs incurred by providing the accommodation, government grants are made to reduce the amount the co-op has to borrow so that the resultant loan charges can be met out of the rent income, net of approved management and other expenses. The Corporation lends on mortgage for a term of 30 years, in the case of the purchase and rehabilitation of existing property, and of 60 years for "new-build" developments.

The table shows that in the year ending March, 1984, the total of cash committed to Co-ops for new schemes amounted to £14,424,000, or 3.8% of all the money provided in that year for

HOUSING CORPORATION ALLOCATIONS AND APPROVALS FOR CO-OPS IN ENGLAND, 1983 - 85
(and as %age of Fair Rent Programme)

REGION	1983 - 84 Provisional Allocations for New Approvals (at Beginning of the Year) (£000)			1983 - 84 Cash committed for new approvals (by end of year (£000)			1984 - 85 Provisional Allocations for new approvals (at beginning of year (£000)			
	NEW BUILD	REHAB.	TOTAL	NEW BUILD	REHAB	TOTAL	NEW BUILD	REHAB	TOTAL	
London and Home Counties (North)	600 (1.5%)	9,648 (13.1%)	10,248 (9.0%)	—	5,451 (8.4%)	5,451 (5.8%)	1,940 (4.8%)	6,880 (10.3%)	8,820 (8.2%)	
London and Home Counties (South)	2,372 (6.4%)	4,121 (12.0%)	6,495 (8.0%)	1,348 (5.6%)	2,618 (8.7%)	3,966 (7.3%)	3,173 (9.1%)	3.825 (12.6%)	6,998 (11.2%)	
West	310 (1.0%)	—	310 (0.7%)	—	—	—	760 (3.1%)	60 (0.2%)	820 (2.2%)	
East Midlands	—	850 (6.5%)	850 (2.2%)	—	730 (6.6%)	730 (2.6%)	—	827 (6.7%)	827 (2.6%)	
West Midlands	680 (2.1%)	810 (3.0%)	1,490 (2.5%)	475 (2.3%)	516 (2.3%)	990 (2.3%)	761 (2.8%)	628 (2.7%)	1,389 (2.7%)	
North East	200 (0.4%)	1,490 (5.1%)	1,690 (1.9%)	—	1,129 (4.8%)	1,129 (2.0%)	350 (0.9%)	1,230 (5.5%)	1,580 (2.5%)	
North West	195 (0.6%)	520 (2.1%)	715 (1.0%)	—	448 (2.0%)	448 (1%)	—	895 (3.1%)	895 (1.8%)	
Merseyside	250 (1.3%)	935 (4.8%)	1,185 (3.1%)	650	951 (5.6%)	1,601 (3.2%)	—	513 (3.6%)	513 (1.9%)	As at 1/6/84
TOTALS	4,607 (1.7%)	18,376 (8.0%)	22,983 (4.6%)	2,473 (1.4%)	11,952 (5.8%)	14,424 (3.8%)	6,984 (3.1%)	14,858 (7.3%)	21,842 (5.1%)	

all fair rent projects, co-operative and non-co-operative. (Had the Co-ops been able to take up the amount provisionally allocated to them this would have been £22,983,000 or 4.6% of the total). In April 1984 the allocation for 1984-85 was £21,842,000 or 5.1% of the total then provided for all fair-rent schemes projected for the year. The amounts are broken down for New Build and Rehabilitation schemes.

It would seem from these that fair-rent housing co-ops are currently most active in the London and Home Counties regions where a combined total of £9,417,000 was committed in 1983-84 and £15,818,000 has been allocated for this year. (i.e. 1984-85). £1,601,000 was committed for Merseyside (although only £513,000 is allocated for this year); and £1,129,000 for North East England (£1,580,000 for 1984-85). And so on. Although none of the £310,000 allocated to the West was taken up last year, it is anticipated that some £820,000 will be spent this year.

All but one or two of Scotland's housing co-operatives are undertaking estate management responsibilities, and do not operate as owners of the properties in which their members live. However, an interesting developmentis taking place in Glasgow where, apart from ten tenant management co-operatives there are now twenty-five community based housing associations sponsored by the City authority controlled by boards of management consisting of persons appointed by the Housing Committee and others appointed or elected by the residents. They acquire properties and improve them. The association remains the landlord in each case; ownership is vested in a collective of the residents. (I refer to these in more detail on page 19 to 21).

Thus progress of a sort, is being made in ownership co-ops of the fair- rent type. It is slow and, taking region by region, as the table indicates, patchy.

ON MERSEYSIDE

In contrast to the situation in Glasgow, on Merseyside, where

there have also been remarkable achievements, housing co-ops are up against the pronounced hostility of a Labour administration in Liverpool that refuses to accept them as part of their housing strategy. CDS (Liverpool) Ltd is a secondary co-operative association whose membership consists of primary housing co-ops in the area. It exists to serve those and to assist in promoting others.

Between them they have had a chequered relationship with the City authority under differing political regimes. Today Labour is in control. It might be thought reasonable to suppose that co-operative housing would find favour with them, at least. Recently the Liverpool District Labour Party issued its Housing Policy Statement 1984. "Housing policies" it says "must, of necessity, concern themselves with more than bricks and mortar. They must produce a total environment in which families and individuals can live in happiness".
And adds:

"Labour must now turn talk into action...We can and we must, over a 5 year cycle, produce housing which will make Liverpool a better place in which to live, not only for ourselves but also for the next generation". Admirably stated.

Unhappily, it goes on later to mount an attack on the co-operative sector. "The Co-op issue", it states, "has been the most controversial one so far as housing is concerned. The question to be asked is:

a) Did Co-ops in Liverpool start as a spontaneous desire by people for an alternative form of tenure which is compatible with municipal housing, or,

b) were co-ops part of a deliberate and calculated attack on municipal housing by the Tory Party nationally, aided and abetted by the local Liberal/Tory Alliance

> The Housing Sub-Committee holds the view that the latter is the answer to the question."

I can provide some answers to the questions from my own experience. Years ago, when I was an officer of the Co-operative Party I was invited to address a meeting in Liverpool with Lady Simey, a Labour Councillor, and Don Simpson, now Director of Housing at Rochdale and then in charge of a project in Liverpool sponsored by SHELTER and designed to help tackle some of the horrendous problems in the private sector in Liverpool 8. My task was to explain housing co-operatives - soon to be staunchly advocated by Labour's Minister of Housing, Reg Freeson - to a group who knew very little - if anything - about them, and to suggest a firmula for setting them up in that area. From this meeting, as I was to learn later, the idea of street co-operatives sprang. Some years after, when I was Chairman of the London-based CDS and of Co-op. Planning Ltd. (a co-operative of architects and surveyors affiliated to the Co-operative Union, the Co-operative Party and the International Co-operative Alliance) we set up an office in Liverpool to provide services to the emerging co-ops while they were getting on their feet. It was this embryo organisation which eventually became the independent CDS (Liverpool).

Some few Co-ops may arise out of a spontaneous desire by residents to control their own home environment. But, of course, the co-operative option is one they need at least to be aware of if that is to happen.

> "Housing Co-operatives are voluntary associations of willing members. But potential members are not going to consider co-operative housing, or seek to live in it, or set it up, if they know nothing about it or have never imagined it to be possible. The promotion of housing co-operatives is, therefore, essential if housing co-operatives are to be set up"

That is the considered view of the Scottish Housing Co-operatives Review Committee in their report on Housing Co-operatives in Scotland, published in December, 1983. And, of course, it makes sense.

CO-OPERATION IS SOCIALISM

Socialists, of all people, should know from their own hard won experience that patient advocacy of socialist ideas is a pre-requisite to the creation of a democratic socialist order of society. Most people don't spontaneously vote Labour even in Liverpool, or there would be no need for organising a canvass, for campaigning. The job of a co-operator and a socialist is to see that, as far as possible, co-operative options are available as a realistic choice, no less than others that satisfy basic socialist principles.

As to the second question posed by the Labour Party in Liverpool, Co-operation is a form of social ownership and control which has attractions for some people who warm towards the philosophy of democratic socialism and can see it sometimes better exemplified in small, decentralised groupings, such as worker co-ops and credit unions, than in larger institutions. Again Co-operation is essentially a form of mutual aid and self-help. Inevitably those are concepts which appeal not only to socialists.Is it so terrible that some Tories, brought up on the emotional appeal of Samuel Smiles, and Liberals, attracted to community politics, should indicate some support for housing co-ops in areas where people need desperately to be given the chance to escape from a corroding sense of frustration and despair and to find other ways of personally helping to create a new, much improved environment? Why should we allow Tories and Liberals to pinch some of our best clothes? Or have we such little confidence in people that we deny them the power to act for themselves in a democratic way, less they abuse that power? That way leads to Stalinism.

David Sheppard, Bishop of Liverpool, in his Dimbleby Lecture earlier this year, has made the point clearly and simply and in its proper context:

> "One of the signs of hope which I see in inner-city life has been the development of self-help projects - housing co-operatives law centres, family centres, community action groups. People's intelligence and competence emerge as they are given that opportunity.
>
> "There is a crucial issue about offering funds to self-help groups. It is about control. Making grants, while keeping control of how they are spent, is felt by many community groups to be a kind of colonialism, by which the funding body controls its clients. Of course, there must be a proper check that funds are spent honestly, but self-help groups must be able to run their own life, which may include actions and statements which would embarrass the funding body. That is a lesson to be learned by those on the Left who insist on the state or the council controlling everything, with the bureaucracy that goes with it.
>
> "These local groups", he went on", can have as a goal what is my ambition for local churches in the inner-city and corporation estates: to become centres of resistance - centres resistant to despair, to materialist values, to authority - when it is abused, to leaving everything to 'them'.
>
> "Give people the means to help themselves. There will be failures, but I guarantee there will be important successes".

When, if ever, Labour in local, regional or national government finds itself the opposite side of that fence we shall already

be on the way to an authoritarian Party and our alternative to Thatcherism will be stark indeed.

Happily Labour in Glasgow has more confidence in the people. And not only in Glasgow, of course.

THE TENANTS DECIDE

Despite Liverpool Labour Party's curmudgeonly attitude, the achievements of housing co-operatives on Merseyside have been remarkable. A number of them, mainly neighbourhood based, are in the business of purchasing old and run down residential property in the terraced streets of Liverpool 8. Since 1970 they have improved (rehabilitated) "well over a thousand houses", they now claim. Since 1977 eighteen new-build co-ops "have been showing a striking new, and radically successful, approach to urban design." It is this achievement to which, presumably, Prince Charles was referring when he addressed the RIBA. Co-operative Development Services (CDS) of Liverpool have produced a video cassette which tells the story of some of those successes in the words of the Co-operators themselves. They are clearly, and properly, proud of their co-ops.

They tell us that

"The Merseyside new build co-ops have all selected their own architects.
"Typically the process starts with written background on half-a-dozen or more practices circulated to all members. Bus trips to schemes, with architects to explain success or failure, lead to an interview shortlist. Then architects give hour-long presentations and answer questions on design, commitment to the community and their educational approach to the co-op.
"The result? The architect is employed by and accountable to the client community".

The Birmingham Co-operative Housing Services have recently brought

together housing co-ops in Handsworth, Balsall Heath and Small Heath District to form a Secondary Housing Co-op to provide services most economically and efficiently, it is believed, than each of the primary co-ops can do for themselves. Two hundred families in the city are already housed co-operatively and, we are told, another one hundred and fifty homes are underway.

In the North East, Banks of Wear is an established secondary co-op which has provided 274 houses (modernised or new built) for the 17 primary co-ops who own and control it. Set up in Sunderland in 1976 its membership stretches out as far north as Newcastle and Ashington. One of these primaries, Wearmouth Housing Co-operative, owns 68 properties. With the support of funding through the European Coal and Steel Commission (ECSC), the local authority and a Housing Association Grant it has modernised former Coal Board dwellings which it now "fair-rents" to its members.

In Manchester, also, a new secondary Co-op has been formed: the Greater Manchester Secondary Co-op: Co-operative and Housing Services (N.W). It is already able to report a good level of support from the regional office of the Housing Corporation, and local authorities are also now showing a greater interest - Bolton and Manchester in particular.

I have culled most of the information about progress in the North of England and in the Birmingham area from a well-produced broadsheet published in connection with the "Northern Housing Co-ops Festival '84" which was held in Dale Hall, Liverpool at the end of September.

IN LONDON

Two in every three housing co-ops known to exist in 1984 were London based. Here there are at least four secondary co-operative housing associations, proper, who service the primaries that together own and control them. They also help in promoting and developing new ones.

The oldest of these is CDS Co-operative Housing Society Ltd, which has promoted 18 primaries in London, Essex, Hertfordshire, Hampshire, Surrey, Sussex and Kent; most of them being new-build fair rent schemes. Its annual report dated March, 1984 states that the society's activity is guided by the Co-operative Principles "as defined by resolution of the 23rd Congress of the International Co-operative Alliance in September, 1966 ", which are set out in full in a preface to the report.

In December, 1983, the Society accepted a transfer of engagements from the Greater London Secondary Housing Association (GLSHA) which, since March 1978, had "specialised in assisting tenants in GLC and other local authority housing estates to consider the advantages of setting up a co-operative and accepting responsibility for the management of their estates." During its brief life GLSHA set up four tenant management co-ops on a large estate in Islington, one in North Kensington and one in Putney. (It was also employed in many other projects: those that were notably successful include a par-value, "fair rent", co-operative in Fulham, a shared-ownership co-op in Poplar based on a form of community leasehold introduced by Reg Freeson when he was Labour's Minister of Housing, and another in Tooting under current "staircasing" arrangements).

Its undoubted success in the field of tenant management co-ops was "achieved by an intensive education programme, in which all tenants on an estate were encouraged to participate in small group meetings to consider the proposed co-operatives' role and the arrangements to be incorporated in the management agreements with the landlord authority. The findings of the small group meetings were reported back to general meetings of tenants at which the major policy decisions in the structure and function of the new Co-operatives were taken".

What, in the end, caused GLSHA to call it a day points up the problems such an association has to face. For GLSHA existed

solely to promote housing co-operatives and provide essential educational as well as other services to the potential co-operators - before their primaries were registered as corporate bodies under the I and P Acts, and therefore before they could earn an income out of which to pay for those services. As CDS reported, sympathetically:

> "GLSHA faced the inevitable difficulty that income from commissions from local authorities to promote co-operatives on specified estates was uncertain and inadequate to support the costs of running the Association. GLSHA were therefore forced to rely upon grants from the GLC for its continuing operation. Unfortunately, in the middle of 1983, despite an increasing percentage of income earned from commissions it became clear that grant aid from the GLC would not continue and GLSHA would soon face serious financial losses unless drastic action was taken".

Hence the decision to approach CDS. That Society had, because of its much longer track record, been able, through development and other allowances and fees, to build up modest reserves and was therefore better able to carry these responsibilities and survive on the sea of troubles in which housing co-ops currently try to keep afloat.

The Society for Co-operative Dwellings (SCD) also based on London, started life as 'Student Co-operative Dwellings' and has had much success sponsoring co-operatives with shared accommodation, mostly designed for young single people. In recent years it has moved into other fields. It has a proud record of pioneering and often led where others were reluctant to tread. Its educational programmes have been a model for others. Its single-minded commitment to co-operative principles is its distinguishing mark.

Solon Housing Association was set-up as a workers' co-op in South London. In time it decided to involve its tenants in its management and policy procedures.

By 1977 it had gone further. Solon Co-operative Housing Services was set up to provide specialised development design, educational and financial services to housing co-operatives in North and East London. Judy Holland is Chairperson of Solon CHS and in her most recent report she writes:

> "Where in 1976 we had a handful of long life member groups, we now, in 1984, have 37 workers, working with at least 42 long and short life member co-ops and providing services to many more embryonic member co-ops of both types."

Having grown to this extent plans are afoot to split into two smaller units, with East and West London locations. Already a second office has been established and the work and workforce has been divided; management has been restructured "to give increasing responsibility to the separate East and West management Sub-Committees and less and less to the Central Management Committee". The re-organisation has resulted in "an increase in member participation, a commensurate increase in membership education and better efficiency."

In 1983, despite the drying up of funds,"116 more units of co-op housing have been completed, 89 more units have gone on site, 415 more co-op members have been housed, and 7 more new housing co-ops have been registered under Solon's auspices."

North Islington Secondary Co-op (NISC) was set up in 1980 when four existing primary co-ops in the area decided that to gain control over the "technical and paperwork side of buying and renovating houses" they would need to create their own secondary co-op by pooling their resources. Until then each primary had been paying a non-co-operatively controlled housing association to act on their behalf. NISC buys houses for each of its member primaries with funds from the Housing Corporation. In consultation with the Co-ops it organises the architects and builders to carry out approved works of rehabilitation and conversion and sorts out all the complicated but necessary paper work relat-

ing to each scheme, negotiating with the funding authority, and, where necessary, with the DoE. Soon it expects to employ its own clerk of works. It helps the primaries to make decisions about the kinds of houses to buy and how to get the best out of a conversion. NISC is run by a committee consisting of three elected "delegates" from each of the four primary co-ops. It is financed from the development allowances each receives for schemes approved and funded by the Housing Corporation.

IN SCOTLAND

In Scotland the scene is very different. Here there are, according to a report in the Co-operative News dated May 2, 1984, ten housing co-operatives varying in size from 350 houses to 37. These are all tenant management co-ops, of which the first to be established (in May, 1976) is the now wellknown Summerston Co-op. The Central Research Unit of the Scottish Development Department has published two reports monitoring the progress of this pioneering housing Co-op in Scotland, set up (as all the others have since been) under the auspices of the Glasgow District Council. (Incidentally the founder Chairman at Summerston later became Convener of Glasgow's Housing Committee) The second of the reports, published in November, 1974 and written by Jill Crofts and Susan Seale, is a most instructive paper, examining in detail the composition, structure and development of the co-op. It deals objectively, and not unsympathetically, with the difficulties the tenants have had to face in adjusting themselves to a new environment and, for them, a wholly new idea about relationships both with the local authority and between themselves.

In summing up, the authors write that "The Co-operative has proved very effective at management of day-to-day issues in a sensitive

and practical way. The management of repairs is one of the best examples. It is, however, clear from the concentration of drive and motivation on day-to-day issues that cry-stallising co-operative objectives and translating these into longer term policy planning, presents more difficulties. As the first Scottish local authority Co-operative, members had little practical experience on which to draw..." Nevertheless, "many members (who) came from very poor environmental and housing conditions, with all the attendant horrors of vandalism....are strongly resolved by their own control that they will not allow the co-operative to deteriorate into a 'slum'.....Enthusiasm for developing the Co-operative as a community has arisen spontaneously, and has required channelling rather than instigating..."

For example, members have agonised over the problems of tenant selection when voids occur. In consequence the Co-op does not hold a single group view about it (or did not at the time the report was written). But "in contrast to the early days, when tenants tended to view the establishment of the co-operative as a shelving of the District Councils' responsibility, the co-operative has become more confident and less afraid of change...Experience from Summerston has shown that taking on new responsibilities should proceed gradually following the principle that you 'learn by doing'".

The authors conclude: "At the broadest level co-operative control clearly works but some aspects have worked better than others and there are costs associated with the greater degree of attention paid to some problems. Significantly it has become apparent everytime from Summerston and other co-operatives elsewhere that achievements which satisfy members my be different from professional concepts of success.."

In addition to tenant management co-ops Glasgow is now sponsoring par-value co-ops by selling off blocks of council flats to its tenants on a community ownership basis. A Guardian article (September 26, 1984) states:

> "The attraction is that under the scheme houses would become eligible for a share of the £80m. of private sector improvement and repairs grants at the Council's disposal - a good proportion of which, ironically, will otherwise go unspent in a city dominated by public housing."
>
> "The tenants" writes John Edgington "will buy groups of houses collectively as a co-operative, with a building society mortgage. The co-op will pay back the mortgage by levying a rent from all its members. When a property becomes vacant it will be allocated to a new co-op member who will then continue to pay the rent. The Council hopes to keep some nomination rights."

Baillie Jim McLean, currently convener of Glasgow's Housing Committee, is quoted as saying it is "mainly people in some of the most deprived of Glasgow's peripheral estates, like Castlemilk and Barlanark, who are asking us to do this. They see it as a vehicle for changing the relationship between tenants and their housing. It is a more collectivist way of doing things. On the surface it looks like pure Socialism."

Predictably, the idea has run into controversy. Glasgow Tenants' Association is worried lest the co-ops may develop into "elitist ghettoes" while the Thatcherites are worried that in a co-op the tenants will lose their individual right to buy. Baillie McLean has his answer. "We're responding to the need of those areas where conditions are worst. In the end, it's people that matter most, not political fine-tuning."

Elsewhere, in the Edinburgh area, other ownership co-ops are now developing, although, at present, few in number.

A NATIONAL FEDERATION

With all its limitations, therefore, the housing co-operative movement is beginning to grow up. A National Federation of

Housing Co-operatives has recently been registered with the Registrar of Friendly Societies. It consists of seven regions in England and Wales. (Scotland has its own Federation). Since two-thirds of the 450 housing co-ops of all kinds identified by the Federation are located in the London area this region has been divided into two, North and South.

It is intended that each region shall elect, annually, the members to the National Committee, have its own regional committee, hold its own conferences, acting independently but under the umbrella of the NFHC. Affiliation fees are modest, based on the individual membership of the primary co-ops, with a maximum from any one Co-op of £75 and a minimum of £5. (These are likely to be revised soon).

Like any co-operative movement in its formative years, as our history demonstrates, the Federation is struggling. Its main problem is, of course, finance - getting enough of it in its early stages, when the primary and secondary co-ops are themselves fighting to keep afloat in an unfavourable sea. The Conference it staged in London in June 1984 was told, starkly, that to keep the Federation running "at its present level of activity" would require £4,000 every year at current prices "or 80 co-ops affiliating at £50 apiece." As yet not all primary co-ops are affiliated. Which, as its National Committee acknowledges, regretfully, means that "we have lacked the membership to give authority and legitimacy to the NFHC to act as a representative body for Housing Co-ops."

Nevertheless it has already published a recommended Code of Conduct for the guidance of the primaries; a members' handbook for shortlife co-ops (i.e. co-ops based on properties which have been acquired on a short lease or licence, usually from a local authority that intends to redevelop at a later date); and a quarterly newsletter, "Around the Houses". It has organised conferences and workshops and has set up a Management Co-ops Group, consisting of representatives of tenant management co-ops

- a special category - which "could point the way forward for other social interest groups....within the NFHC - short-life, HAG groups, Co-op Workers".

MONITORING CO-OPS

The Housing Corporation has a statutory obligation to monitor all housing associations registered with it. If things are seriously wrong with any of them it has the duty and the powers to act to put them right. Following a monitoring exercise its officers will meet the Committee and senior staff of the association to discuss with them any procedural matters they consider need special attention, and to proffer advice.

In December, 1983, the Registration and Supervision Division of the Corporation published its report on Monitoring Housing Co-operatives. It begins: "Monitoring has demonstrated that the majority of housing co-operatives achieve at least an adequate standard of performance", adding, "However, a number of common problems have been identified."

What are these problems? Not unexpectedly, the first to be listed is the exercise of control in a co-op. Housing co-ops are, almost invariably, small communities of up to 100 or 150 (some much smaller) households. In such a group, in daily contact with each other, since they live in that same area or on the same estate, decisions can be made quickly and there can be a very close relationship between elected officers and the general membership. This has advantages, but also disadvantages. The need for a formal programme of meetings is sometimes neglected. The meetings themselves may be unstructured; the decisions not always recorded punctiliously. As the report says "Many co-operatives have formed partly as a reaction against what they see as 'bureacratic' forms of housing administration." In trying to avoid these they may tend to go to the other extreme. "Excessive informality makes it impossible for co-operatives to demonstrate accountability for the large sums of public money

invested in them. This can only be achieved through effective committee control."

That is a lesson which all organisations heavily dependent upon voluntary enthusiasts must learn. It is not peculiar to Co-ops. Many a housing association not Co-operatively based (and some even whose committees consist of men and women of considerable expertise) has encountered a similar difficulty, particularly, but not only, in its early formative years. The rules under which most housing co-operatives operate are based on models published and recommended by the National Federation of Housing Associations and approved by the Registrar of Friendly Societies. Co-ops that follow those conscientiously should not run into trouble this way.

To keep its control over finances the Co-op needs an annual budget regularly updated through the year. Again, this is a necessary exercise in any healthy business enterprise and a housing Co-op is a socially owned business and must be managed as such. Co-operators learn (often for the first time when they take on responsibilities in their association) the importance of adequate budgeting and cash flow forecasting, of "getting regular and prompt reports on financial performance compared with the budget". To co-operators in the established consumer movement this is familiar advice, not always followed. (If all of us involved in retail co-operative practice had kept to it rigorously our movement would be in less trouble than it is today!).

The report then offers a third cautionary note. In a housing co-op there are decisions to be made about selecting tenants in a way that is fair and seen to be fair. Unlike committee procedures and financial control and accountability there are no immutable rules to guide the association here. There are recommended criteria but judgements are often necessarily subjective and rarely is a decision clear-cut (as any professional housing manager will confess, if pressed). In fact, as the report makes clear, housing co-ops have a better record than many other

associations: "Experience shows that co-operatives take selection decisions very seriously. There is a high level of member in volvement and committees are sensitive to applicants' needs. However, in the emotional atmosphere of a selection meeting the criteria can sometimes be forgotten. This does not mean that the wrong decision is taken but it does make it difficult for the co-operative to be seen to be fair both amongst its members and in the outside world."

The report ends on an encouraging note. Part 5 is headed "Successes of the Co-operative Movement" and is worth quoting in full.

> "There are several key problems that occur frequently amongst housing associations that were not common amongst co-operatives. In general co-operatives:

- comply with the tenants charter. (Many co-ops are exempt from the statutory provisions but adopt a voluntary Code of Conduct instead);
- have committees that, within the context, are up to their task;
- do not suffer from dualities of interest on committees;
- maintain proper control over development and tendering;
- have not run into serious financial problems as a consequence of spending more than the Department of the Environment's allowances for management and maintenance.

"Although there are no grounds for complacency, those achievements reflect well on the co-operative movement. The last point is particularly important because it means that co-operatives generally have sufficient resources to react positively to monitoring recommendations."

This generalised assessment is supported independently by the results of a survey carried out for the London Borough of Camden on tenant satisfaction. According to Tristan Wood, writing in the October, 1984 number of 'Voluntary Housing', the monthly journal of the National Federation of Housing Associations, this "showed that co-op tenants expressed higher satisfaction levels

than either housing association or council tenants, and that co-ops were best in terms of design, construction standards, maintenance performance, staffing, complaints procedure and attitudes towards elderly people and people with disabilities."

THE SCEPTICS CONFOUNDED

Co-operative housing is no longer on trial. So far in Britain its successes have been limited. But they are proven. No-one can now say that the idea that tenants collectively can own and, or, manage their estates satisfactorily and beneficially is impracticable or unrealistic. That was the cry that persistently followed me when I set out on this trail a quarter of a century ago! No-one can now, as many did then, make the astonishing assertion that, despite the existence of eight and a half million householders in housing co-operative schemes world-wide, they are somehow inapplicable to the British scene. Reg Freeson has made his point.

The question now arises, how can we best encourage the continuing development of housing co-ops? How can we ensure that people get to know about them and see them as a genuinely available choice to everyone?

A new generation of co-operators is emerging who are involved in the day-to-day struggle to maintain and extend their achievements in housing. They need and deserve the spirited support of the older generation of consumer co-ops, who, in all conscience, themselves desperately need an influx of new recruits with radical questioning attitudes, and the enthusiasm and dedication of the most recent converts to what is still a revolutionary idea. A strong housing co-operative movement (with a strong workers' co-operative movement, too) could provide a tremendous fillip to our long established consumers' movement, which has sadly begun to lose confidence in its future - if only we learned to work in harmony.

Even at a strictly commercial level, the interests of housing and consumer co-ops are complementary. Apart from the fact that "tenants" are consumers of housing and housing services, they "consume" many of the goods and services retail societies supply. An alert Board of Management and its Executive must surely see the potentialities of any growth within its area of trading of healthy housing co-ops of all kinds. Co-ops are inter-related and should be inter-dependent. There has never been a time when it was more important to learn that precept and practise it.

The Co-operative Party is the one section of the movement that has consistently, over thirty years, advocated the promotion of housing co-ops and given its full support to the introduction of legislation to give them legitimacy in this country. We must not give up now - just as decades of effort are beginning to bear fruit. For now we must husband it with care.

A PROGRAMME FOR ACTION

So what can the Party do?

1) A Canadian working for housing co-ops in Vancouver has said that co-op housing is one of the best kept secrets (referring to the fact that very few people know that there are 8½ million householders in co-operative schemes throughout the world). Until recently we had little to shout about in Britain. Now we, too, have an important story to tell. The Party should step up its campaign to spread the message.

2) Few local councillors have any conception of the contribution housing co-ops can make in their districts, or of the powers local authorities have to promote and/or assist them as an important part of their strategic housing policy. Labour Councillors in particular need to be told of the

ways in which estate management may be devolved on to tenant co-operatives to the mutual benefit of the authority as landlord and the co-operators as residents, while the ownership of the freehold remains firmly with the Council. Where there are hide-bound prejudices to be overcome they must be challenged. Co-operative housing is not a back-door approach to privatisation. It is a genuine form of social ownership. It devolves power and responsibility (albeit in a limited way) to people at the grass-roots, in their own communities. Tenants should have the choice offered them, to accept or reject. And where they accept, they should be given every opportunity to go ahead successfully.

3) The Parliamentary Co-operative Group should continuously be fed with information to enable them to pressurise the government and the Parliamentary Labour Party to give more support to housing co-ops of all kinds. The cuts in public spending are a scandal. Of course they affect housing co-ops. But even within the present Tory government's policy parameters more can be done to assist, if the will is there. As an example, we still need to legislate for a new form of co-operative housing tenure. At present we are stuck with the traditional concept of landlord/tenant relationships and obligations. In a fully mutual co-operative, however, the tenant is, through his association, his own landlord. But this seems incomprehensible to some professionals and is unrecognisable in law. One rent tribunal in the London area actually sought to raise the fair rent proposed by the rent officer because they were persuaded that a tenant in a co-operative scheme enjoyed a higher standard of management and repair to the estate than under a private or council tenancy. The fact that the quality of management was entirely due to the co-operative efforts of the residents was ignored.

4) Housing Associations, including Co-ops, are seeking ways of tapping the funds of building societies, pension funds

and banks to help finance new schemes. The Housing Corporation has power to guarantee mortgages from those sources. It should be pressed to do so more readily, especially for co-operative projects. Local authorities have similar powers which they may exercise with Treasury approval.

It costs them nothing. But they and the Treasury have been tardy in using them. Again, pressure at both ends could help.

5) Every encouragement should be given to co-ops to negotiate low-start, index-linked, mortgages which, as Martin Jeffs has shown in his pamphlet "The Private Finance of Housing Co-ops" can fund acceptable schemes without using government grants. Successfully pursued, this could leave more of the far too limited amount of subsidy in the general pool available for non-co-operative schemes. In this respect the Co-operative Bank should assume a much more dynamic role. It has still a long way to go if it is offering easily accessible advice, assistance, guidance and encouragement.

6) In publicly funded schemes housing co-ops receive the same development and management allowances as non-co-operative housing associations. But in a co-op, time and effort has to be expended on preparing and educating the prospective members in co-operative attitudes and practices and in training members for office within the co-op. Particularly in the early stages of a development money is needed for this essential resource. The Housing Corporation has made modest sums available in a few cases to help fund this work. Housing co-ops should receive sufficient in development and management allowances - as of right - to enable them to set aside a specific amount exclusively earmarked for their educational programmes.

7) Most primary co-ops need the services of a body of full-timers with the experience and expertise to handle the complex arrangements for preparing schemes for submission to the Housing Corporation, the local authority or a building society for approval and funding; and for seeing a development through to completion - employing and instructing architects, surveyors, contractors as well as for handling all the related legal and financial matters.

These services can best be provided by a secondary housing co-operative of, and controlled by, its primaries. Adequate starting up grants should be made available from public funds (via the Housing Corporation or local authorities) to encourage the establishment of secondaries.

The Co-operative Party can be proud of its record so far in this field. It was the first to recognise the potentialities of housing co-ops in a Britain which knew nothing of their achievements elsewhere. It has been the only consistent advocate of the idea even in our own Movement. It was the first political party to call for statutory recognition and public funding for co-ops. And it has continued its support through three decades.

If co-operative housing is to build effectively on the foundations now laid, if it is to begin in this country to play as significant a role in housing as, since the 'twenties and 'thirties, it has done in Scandinavia so much more has to be done.

On the political front the Party must still be the spearhead. No one else has the commitment.

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